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Circular Letter

Special:

TO: **ALL PEMHCA CONTRACTING SCHOOL DISTRICTS AND PUBLIC AGENCIES, HEALTH BENEFITS OFFICERS, AND ASSISTANTS**

SUBJECT: **PEMHCA, AS IT RELATES TO OTHER POST EMPLOYMENT BENEFITS AND REQUIREMENTS OF GOVERNMENT CODE SECTION 7507**

I. BACKGROUND

This Circular Letter requests employers to certify compliance, as applicable, to the requirements of Government Code Section 7507 (GC 7507). Effective January 1, 2009, CalPERS adopted criteria pursuant to Senate Bill 1123 (SB1123) for making changes to certain employee benefits, specifically providing certification of adherence to GC 7507. Before an employer adopts certain benefit changes for their employees, employers must obtain services of an actuary to prepare future annual cost impact results and make those results available at a public meeting at least two weeks before implementation of benefit changes.

II. CONTRIBUTION CHANGE RESOLUTION TEMPLATE

GC 7507 also applies to Other Post-Employment Benefits (OPEB), which may include health insurance benefits. To ensure employers comply with GC 7507 when changing OPEB for their employees, the Office of Employer and Member Health Services (EMHS) has updated resolution templates for new health benefit contracts and contribution changes.

It is the responsibility of the employer to assure compliance with any and all applicable provisions of GC 7507. Employers must submit the updated resolution which contains the acknowledgement that the employer understands the current and future cost of the changes in benefits. The language is as follows:

..."and be it further resolved that the *[insert full name of contracting agency]* has fully complied with any and all applicable provisions of Government Code 7507 in electing the benefits set forth above."

To request an updated contribution change resolution template, please contact EMHS Public Agency & Schools Contracts Unit at CalPERS Employer Contact Center at **888 CalPERS (888-225-7377)**.

Sincerely,

Holly A. Fong, Chief
Office of Employer and Member Health Service